

Message Text

UNCLASSIFIED

PAGE 01 CAIRO 10733 281158Z

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 /018 W

-----109823 281159Z /43

R 281050Z JUN 77

FM AMEMBASSY CAIRO

TO USDOC WASHDC

INFO AMEMBASSY ABU DHABI

AMCONGEN DHAHRAN

AMEMBASSY DOHA

SECSTATE WASHDC 6649

UNCLAS CAIRO 10733

E.O. 11652: N/A

TAGS: BEXP, EG

SUBJ: BUILDING AND CONSTRUCTION TRADE MISSION

REF: CAIRO 9291

1. WE CONTINUE BELIEVE THAT BEST MARKET PROSPECTS FOR BUILDING AND CONSTRUCTION TRADE MISSION ARE IN AREA OF BASIC CONSTRUCTION, EARTHMOVING, AND ROAD BUILDING EQUIPMENT. THIS INCLUDES SUCH ITEMS AS BULLDOZERS, CRANES, EXCAVATORS, LOADERS, HEAVY TRUCKS, GRADERS, AND MACHINERY FOR HANDLING ASPHALT AND CONCRETE. THERE IS SIGNIFICANT FOREIGN COMPETITION AND U.S. CIF PRICES ON MANY ITEMS TEND TO BE RATHER HIGH. HOWEVER, U.S. EQUIPMENT HAS IMAGE OF QUALITY WHICH HELPS IN PART TO OFFSET THIS. AVAILABILITY OF AID ASSISTANCE, WHICH HAS ALREADY BEEN USED TO FINANCE PURCHASE OF MUCH EQUIPMENT OF THIS TYPE, IS OBVIOUSLY AN IMPORTANT FACTOR.

2. IN ADDITION TO PRICE, EGYPTIAN PURCHASERS ALSO CONCERNED WITH DELIVERY TIME AND AVAILABILITY OF SPARE PARTS AND SERVICES. (WE HAVE HEARD U.S. MANUFACTURERS CRITICIZED BY KNOWLEDGEABLE SOURCES ON BOTH COUNTS). IN PART FOR THIS REASON, EGYPTIANS PREFER IN GENERAL TO DEAL WITH INTERNATIONALLY KNOWN FIRMS OF ESTABLISHED

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CAIRO 10733 281158Z

REPUTATION. SMALLER, LESS WELL-KNOWN FIRMS ARE LIKELY TO HAVE MUCH MORE DIFFICULT TIME SELLING. MOREOVER, ALTHOUGH PRIVATE SECTOR HERE IS GROWING, GOE AGENCIES AND PUBLIC SECTOR FIRMS STILL REPRESENT BY FAR THE GREATEST MARKET FOR HEAVY CONSTRUCTION EQUIPMENT. MISSION PARTICIPANTS SHOULD BE AWARE THAT DECISION-MAKING ON GOVERNMENTAL LEVEL IS OFTEN A TIME-CONSUMING PROCESS, AND EVEN A STRONG DESIRE TO PURCHASE A PARTICULAR PIECE OF EQUIPMENT

MAY NOT BE TRANSLATABLE INOT AN IMMEDIATE ORDER. MANY GOVERNMENT PURCHASES ARE SUBJECT TO TENDER REQUIREMENTS.

3. WHILE THERE ARE SOME EXCEPTIONS, E.G. CERTAIN TYPES OF PIPE NOT PRODUCED HERE, WE BELIEVE MARKET FOR MOST BUILDING PRODUCTS IS LIMITED. THERE IS COMPETITION FROM LOCAL PRODUCTION AS WELL AS FROM OTHER FOREIGN SOURCES. IN THIS AREA, MUCH DEPENDS ON INDIVIDUAL FACTORS SUCH AS SALESMANSHIP AND TIMING.

4. THERE IS SOME POTENTIAL FOR THE MARKETING OF SERVICES RELATED TO BUILDING AND CONSTRUCTION. DESPITE SUBSTANTIAL LOCAL CAPABILITY IN FIELDS OF ENGINEERING AND ARCHITECTURE, FOREIGN ASSISTANCE IS OFTEN REQUIRED OR DESIRED ON CONSTRUCTION PROJECTS, ESPECIALLY THOSE THAT ARE TECHNICALLY COMPLEX. TRADE MISSION COULD GIVE SERVICE FIRMS BETTER IDEA OF LOCAL CONDITIONS. HOWEVER, IN GENERAL, TRADE MISSION IS PROBABLY LESS EFFECTIVE AS A WAY OF EXPLOITING OPPORTUNITIES IN THIS AREA THAN IT IS FOR EQUIPMENT SALES.

5. THUS, FROM POINT OF VIEW OF EGYPTIAN MARKET, BASIC CONSTRUCTION EQUIPMENT IS AREA IN WHICH WE BELIEVE BUILDING AND CONSTRUCTION TRADE MISSION COULD MOST EFFECTIVELY CONCENTRATE ITS EFFORTS.
EILTS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CAIRO10733
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770230-0444
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770613/aaaaallv.tel
Line Count: 84
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 434ada75-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 CAIRO 9291
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2019589
Secure: OPEN
Status: NATIVE
Subject: BUILDING AND CONSTRUCTION TRADE MISSION
TAGS: BEXP, EG
To: COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/434ada75-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009